



State of Utah

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UTAH'S EMPLOYMENT SITUATION: JULY 2008

Utah's nonfarm wage and salaried job growth for July 2008, as compared against July 2007, is estimated at 0.6 percent. This is lower than last month's 0.9 percent and represents more downward movement in Utah's employment picture. Approximately 7,300 new jobs have been created in the Utah economy over the past year, raising total wage and salary employment to 1,250,100.

Utah's other primary indicator of current labor market conditions, the seasonally adjusted unemployment rate, jumped to 3.5 percent in July. June's rate has been revised up to 3.3 percent. Last July, the state's rate was 2.7 percent. Approximately 48,900 Utahns were considered unemployed in July, compared against 37,000 last July. The United States unemployment rate rose two-tenths to 5.7 percent. The United States unemployment rate is now one full percentage point higher than this time last year.

Mark Knold, chief economist for the Department of Workforce Services, commented, "The housing construction picture keeps getting worse, and it really has no chance of improving until next year—at the earliest. Even next year carries its own questions. Is Utah in a recession? Probably a 'psychological recession'—given rising energy and food prices plus an onslaught of negative media highlights—but Utah's remaining industries taken together don't support a recession. In fact, if we removed the construction industry from the picture, Utah's employment growth rate across the remaining industries is almost 2 percent. Online job listings are down a bit for July, but not significantly. The healthcare industry continues to aggressively expand employment, and I recently attended a meeting composed of information technology and life science human resource personnel who bemoaned the lack of engineers and other available technicians. They would hire workers and expand if they could find willing and available labor. We also observe that even in slow economic times there are still vast amounts of churning and job changing that occur. Job opportunities still present themselves."

The education (private education) and healthcare sectors added approximately 6,500 new jobs over the past year. Healthcare accounted for most of this growth, as it grew employment by nearly 6 percent. Healthcare responds to population growth and demographic change (for example, the aging of a population), and so it can breeze through slowing economic times with minimal or no adverse impact.

Education is another industry somewhat immune to the ups and downs of the economic cycle. At the K-12 level, it is almost completely immune. Children need to be educated, and we as a society place that at a very high level. Utah's surging elementary age population—which began

Utah Labor Market Indicators July 2008

Employment Change: 0.6%
Employment Increase: 7,300
Unemployment Rate: 3.5%

United States

Employment Change: -0.1%
Unemployment Rate: 5.7%

several years ago—drives up the need for more teachers. Each year, as it ripples higher by another grade level, teaching employment expands. We also observe that slower economies put more demand upon higher education. When job access and opportunities slow, many working-age adults choose to return to the education system as a means of riding out a slow economy and furthering their knowledge and skill base, thus increasing their attractiveness for future employment.

Industries that use and create high-paying, knowledge-based jobs are still doing well in Utah. Areas such as life science companies, and creators and supporters of information technology and software, are still quite vibrant. Life sciences encompass such areas as biotechnology, medical devices, research and development, pharmaceuticals, and almost anything related to the environment. Occupations here demand much specialized education and/or training, with the monetary compensation generally on the high end.

Energy (natural resources) is another area that is robust in Utah. Oil and gas are the fuels of high value, and that is evident in the booming economy in the Uintah Basin where most of the state's oil and gas activities occur. Coal is a big part of the central Utah economy, but its activity isn't quite as vigorous. There are trepidations about the pollution aspect of coal, and also recent mine troubles have not engendered a positive image upon the industry. But despite these concerns, currently there aren't many alternatives to coal. Therefore, it remains a key part of America's energy matrix. Coal is holding its own in Utah. It is not a large industry in Utah, but in some parts of the state, it is significant and vital.

There are industries that are struggling in Utah. Construction remains the most visible. Its ills have been profiled in previous monthly reports, and the picture continues to darken. With only 4,400 new houses approved through May of this year, Utah is on track for around 10,000 new homes approved this year, the lowest amount since 1991. Contrast that with between 20,000 to 26,000 new homes each year for the past five years. Clearly home construction has faltered. Construction follows a clear pattern of low employment in winter, peak employment in summer. Currently, last December's construction employment is higher than this month's—July—employment. That is unheard of. Available records show that this has never happened before (although it may have occurred in the late 1970s, the last time Utah had a housing contraction of this magnitude). The situation does not appear poised to reverse itself anytime soon. With changed mortgage rates and borrowing requirements, home prices are overvalued and unaffordable for many Americans, including many Utahns. It will take time for adjustments needed to correct this imbalance.

Tied to housing's woes is the finance industry, which supports home sales through financing, research, and validation. All of these activities have been scaled back. This industry has shed 800 Utah jobs on a year-over-year basis, and its woes appear as clouded as housing's. Most national analysts continue seeing banking and finance struggling to maintain its solvency, with the recent Freddy and Fannie bailouts attesting to this industry's bad health.

Utah's manufacturing environment is also succumbing to the national downturn. La-Z-Boy recently closed its Box Elder plant, and other manufacturers have scaled back employment in response to lower product demand. On a year-over basis, manufacturing added 200 new jobs, but it has been trending downward all year, and is expected to soon move to the negative side of the ledger, maybe as soon as next month.

*** Utah's July seasonally-adjusted unemployment rates by county are scheduled for release on Monday, August 18, 2008. <http://jobs.utah.gov/opencms/wi/pubs/une/season.pdf>**

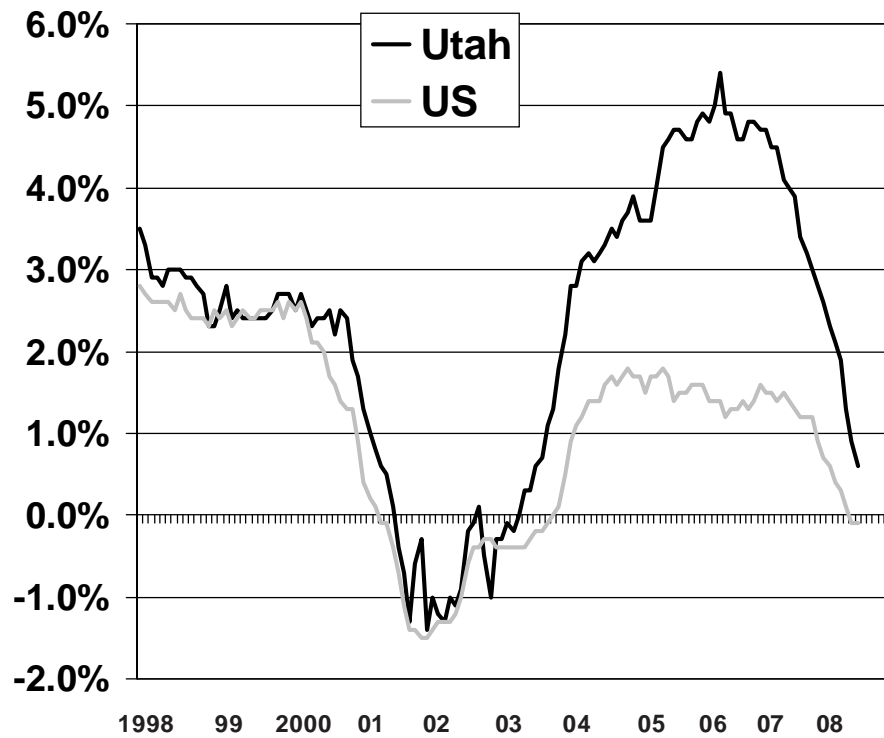
*** Utah's August employment numbers will be released at 9:00 a.m. on Tuesday, September 16, 2008.**

Utah Nonagricultural Jobs by Industry and Components of the Labor Force

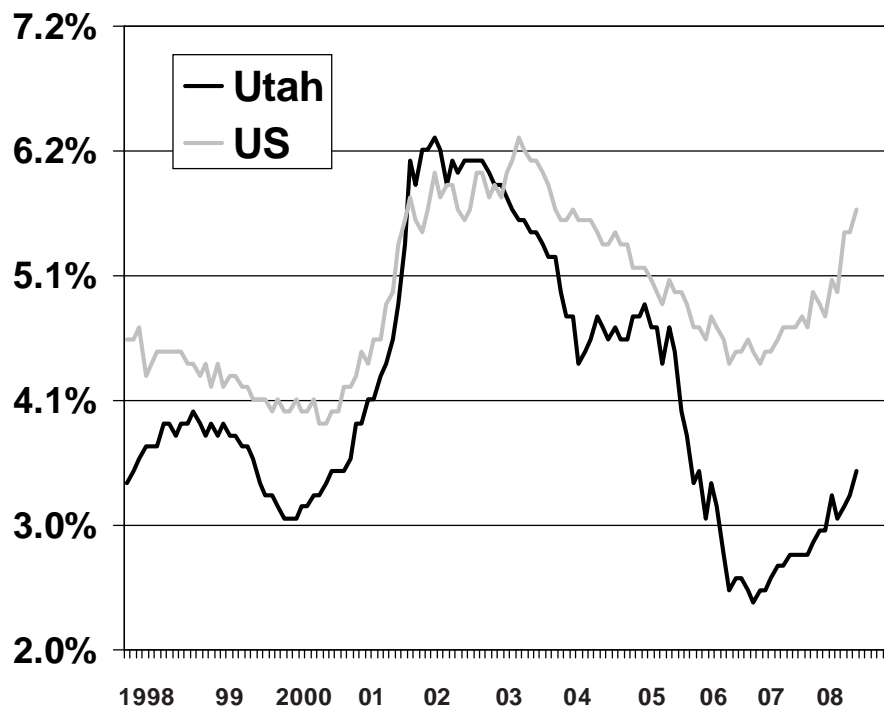
Numbers are in thousands	July(f) 2008	July 2007	Percentage Change	June(r) 2008	June 2007	Percentage Change
CIVILIAN LABOR FORCE (seasonally-adjusted)	1,385.5	1,364.3	1.6	1,380.6	1,360.2	1.5
Employed	1,336.6	1,327.3	0.7	1,335.7	1,323.8	0.9
Unemployed	48.9	37.0	32.2	44.9	36.4	23.4
Unemployment Rate	3.5	2.7		3.3	2.7	
NONAGRICULTURAL EMPLOYMENT (Thousands)	1,250.1	1,242.8	0.6	1,271.8	1,261.1	0.8
Not seasonally-adjusted						
GOODS PRODUCING	235.9	247.9	-4.9	238.2	248.2	-4.0
Natural Resources, and Mining	11.8	11.3	4.6	11.7	11.2	4.5
Construction	95.5	108.3	-11.8	97.7	108.6	-10.0
Construction of Buildings	19.7	23.2	-15.0	20.3	23.0	-11.8
Heavy and Civil Engineering	11.3	12.1	-7.3	11.1	12.0	
Specialty Trade Contractors	64.5	72.9	-11.5	66.3	73.5	-9.8
Manufacturing	128.5	128.3	0.1	128.8	128.4	0.3
Durable Goods	87.0	87.9	-1.0	87.2	88.0	-0.9
Primary and Fabricated Metals	16.6	16.4	1.0	16.7	16.4	1.5
Computer and Electronic Products	13.2	12.7	4.0	13.2	12.6	4.9
Transportation and Equipment Manufacturing	14.2	14.8	-3.8	14.3	14.9	-4.2
Non-Durable Goods	41.5	40.5	2.6	41.6	40.5	2.7
SERVICES PROVIDING	1,014.3	994.9	1.9	1,033.6	1,012.7	2.1
Trade, Transportation, and Utilities	249.6	245.1	1.8	248.8	244.2	1.8
Wholesale Trade	48.8	47.5	2.8	48.7	47.4	2.8
Retail Trade	149.6	147.3	1.6	149.3	146.5	1.9
Motor Vehicle and Parts Dealers	19.4	19.1	1.3	19.3	19.0	1.4
Food and Beverage Stores	24.5	23.7	3.3	24.3	23.5	3.6
General Merchandise Stores	27.7	27.4	0.9	27.4	26.9	1.6
Transportation and Utilities	50.6	50.3	0.6	50.7	50.4	0.7
Utilities	4.2	4.2	1.8	4.2	4.1	1.9
Transportation & Warehousing	46.4	46.2	0.5	46.5	46.2	0.5
Air Transportation	7.2	7.1	1.7	7.2	7.2	1.1
Truck Transportation	19.2	19.2	0.2	19.2	19.1	0.5
Information	32.4	32.6	-0.6	32.6	32.6	-0.2
Publishing Industries	10.1	9.9	1.9	10.1	10.0	1.6
Motion Picture and Sound Recording	4.4	4.3	2.1	4.4	4.2	4.1
Telecommunications	6.3	7.4	-14.6	6.6	7.4	-11.0
Internet Service Providers	5.2	4.9	6.3	5.1	5.0	3.0
Financial Activities	74.3	75.1	-1.0	74.5	75.1	-0.8
Finance and Insurance	56.1	56.5	-0.8	56.1	56.6	-0.8
Real Estate and Rental and Leasing	18.2	18.5	-1.8	18.4	18.6	-1.0
Professional and Business Services	165.0	162.6	1.5	166.8	163.5	2.0
Professional, Scientific, and Technical Services	68.6	64.9	5.7	68.8	64.7	6.3
Architectural, Engineering, and Related	14.3	13.7	4.7	14.3	13.6	4.8
Computer Systems Design and Related	16.1	14.7	9.4	15.9	14.5	9.3
Management of Companies and Enterprises	20.9	20.7	1.1	20.8	20.4	1.9
Administration & Support						
& Waste Management & Remediation	75.5	77.0	-1.9	77.2	78.4	-1.5
Employment Services	21.7	23.9	-9.1	22.9	25.0	-8.4
Business Support Services	15.7	15.8	-0.9	15.7	16.3	-4.1
Education and Health Services	142.0	135.5	4.8	143.0	136.5	4.8
Educational Services	27.6	27.1	1.8	28.8	28.0	2.8
Health Services and Social Assistance	114.4	108.4	5.6	114.2	108.4	5.3
Ambulatory Health Care Services	46.3	43.5	6.3	45.9	43.2	6.1
Hospitals	31.3	29.6	5.7	31.1	29.4	5.7
Nursing and Residential Care Facilities	21.4	20.4	4.9	21.4	20.5	4.2
Social Assistance	15.5	14.9	4.3	15.8	15.3	3.6
Leisure and Hospitality	118.6	115.4	2.7	117.6	115.0	2.2
Arts, Entertainment, and Recreation	19.8	19.0	4.0	19.5	18.9	3.0
Accommodation and Food Services	98.8	96.4	2.5	98.1	96.1	2.1
Accommodation	19.0	18.4	3.5	18.5	18.0	2.9
Food Services and Drinking Places	79.8	78.0	2.3	79.6	78.1	1.9
Other Services	36.9	36.5	1.2	36.5	36.2	1.0
Government	196.1	192.3	2.0	213.9	209.6	2.1
Federal Government	36.1	36.3	-0.4	36.1	36.4	-0.9
Federal Defense	15.8	16.2	-2.3	15.7	16.2	-2.9
Other Federal Government	20.3	20.1	1.1	20.4	20.2	0.7
State Government	60.6	59.6	1.7	62.8	61.7	1.8
State Schools	32.0	31.5	1.8	33.7	33.1	2.0
Other State Government	28.6	28.1	1.5	29.1	28.6	1.6
Local Government	99.3	96.4	3.0	115.0	111.5	3.2
Local Education	49.4	48.1	2.9	64.0	62.3	2.7
Other Local Government	49.9	48.4	3.2	51.1	49.2	3.8

Source: Utah Department of Workforce Services f = forecast r = revised August 12, 2008

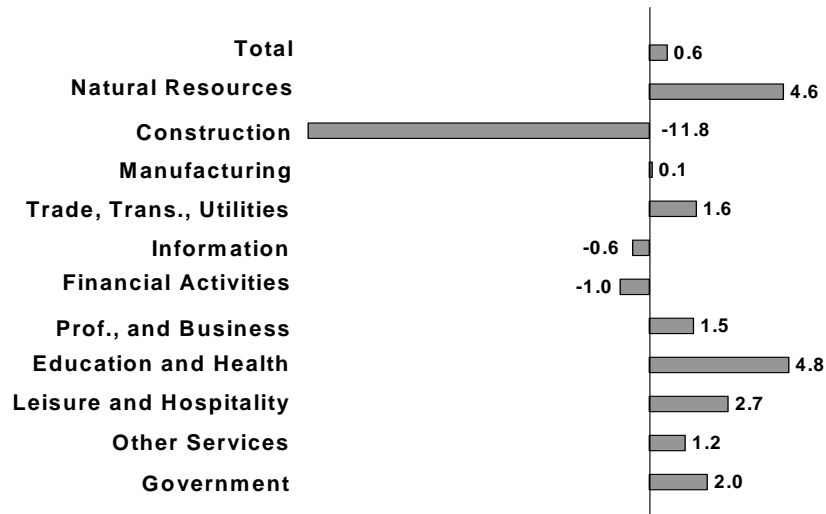
Year-Over Percent Change in Nonfarm Jobs



Seasonally Adjusted Unemployment Rates

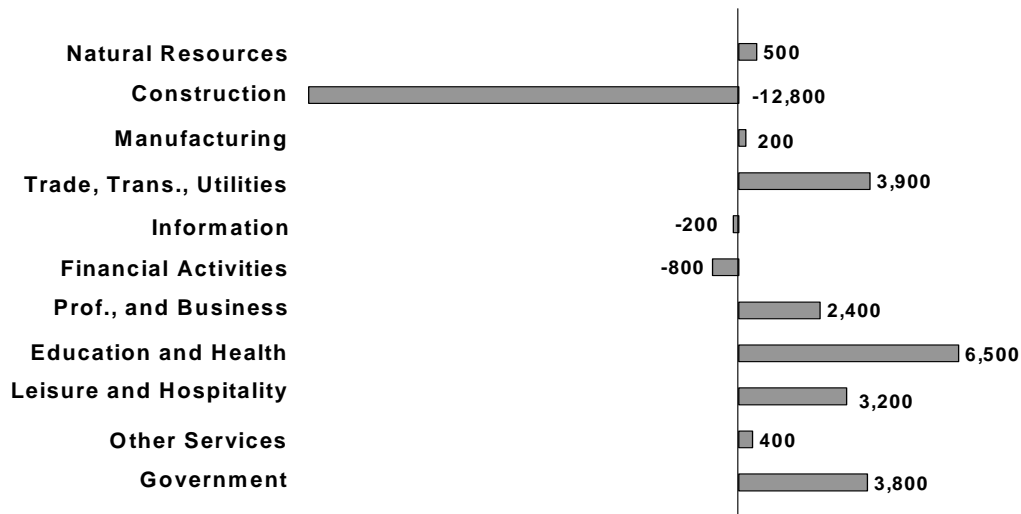


Utah Nonfarm Industry Profile (Percent Change) July 2007 – 2008



Source: Utah Department of Workforce Services

Utah Nonfarm Industry Profile (Numeric Change) July 2007 – 2008



Source: Utah Department of Workforce Services

NONFARM EMPLOYMENT IN UTAH'S COUNTIES

	July 2008(f)	July 2007	Percent Change	June 2008(r)	May 2008(r)
State Total	1,250,116	1,243,002	0.6	1,271,798	1,266,873
Bear River	69,954	68,498	2.1	73,303	73,311
Box Elder	20,792	20,220	2.8	21,460	21,440
Cache	48,200	47,349	1.8	50,900	51,100
Rich	961	929	3.5	943	771
Wasatch Front	824,365	818,977	0.7	832,765	830,794
North	203,332	202,935	0.2	206,399	205,673
Davis	104,327	104,510	-0.2	106,270	106,158
Morgan	1,954	2,002	-2.4	1,983	1,985
Weber	97,051	96,423	0.7	98,146	97,530
South	621,033	616,042	0.8	626,366	625,121
Salt Lake	605,515	600,458	0.8	610,703	609,658
Tooele	15,518	15,584	-0.4	15,663	15,462
Mountainland	208,075	209,162	-0.5	213,742	211,512
Summit	21,641	20,330	6.5	21,512	20,496
Utah	179,563	181,855	-1.3	184,950	184,021
Wasatch	6,870	6,977	-1.5	7,280	6,995
Central	24,417	24,151	1.1	25,332	24,921
Juab	3,475	3,614	-3.9	3,361	3,363
Millard	3,992	3,984	0.2	4,200	4,131
Piute	364	358	1.6	373	371
Sanpete	7,038	6,862	2.6	7,836	7,727
Sevier	8,323	8,146	2.2	8,309	8,162
Wayne	1,225	1,187	3.2	1,253	1,167
Southwestern	76,992	77,696	-0.9	78,935	79,430
Beaver	2,067	2,001	3.3	2,195	2,176
Garfield	2,772	2,713	2.2	2,765	2,628
Iron	15,807	15,922	-0.7	16,555	17,151
Kane	3,454	3,466	-0.3	3,576	3,341
Washington	52,893	53,594	-1.3	53,843	54,133
Uintah Basin	23,540	22,019	6.9	24,328	23,889
Daggett	610	596	2.3	603	568
Duchesne	8,301	7,346	13.0	8,519	8,283
Uintah	14,629	14,077	3.9	15,206	15,038
Southeastern	22,774	22,499	1.2	23,393	23,016
Carbon	9,242	9,097	1.6	9,552	9,587
Emery	3,942	3,933	0.2	3,955	3,932
Grand	5,238	5,174	1.2	5,281	5,093
San Juan	4,351	4,295	1.3	4,605	4,404

f = forecast r = revised but not final.

Note: Numbers have been left unrounded for convenience rather than to denote accuracy.

Source: Utah Department of Workforce Services, Workforce Information, 8/12/08